
SUMMARY OF FUND BALANCE PROJECTIONS

**As of December 31, 2005
(Unaudited)**

Projections of fund balance are an indicator of the estimated financial condition of the County at year-end. The current year projection (year-end 2005) is based on year-to-date information together with departmental estimates of revenues, expenditures and net transfers for various fund types. Fund balances are projected separately for General, Special Revenue, Enterprise, Internal Service, Debt, and Capital Project Fund types. For a description of the County's financial structure see the Strategic Planning and Budget Policies Section of the 2006 Adopted Budget. For descriptions of funds see the Summary section.

Total combined estimates of fund balances at December 31, 2005 are projected at \$102.9 million, a decrease of \$10.2 million from December 31, 2004 year-end combined fund balances. Of the combined fund balance amount, \$73.6 million is reserved (by State Law, County Board ordinance, etc.) for specific future use exclusively within each particular fund. A summary of projected fund balance by fund type is described below.

December 31, 2005

General Fund Balance - The estimated fund balance for the General Fund is projected at \$50.1 million, a decrease of \$4.8 million from 2004. This decrease results mainly from planned use of fund balance, including \$3.0 million for 2005 capital projects and \$500,000 for debt service. Other fund balance use included \$335,000 for the Public Works department's building improvement plan, and \$384,000 for one-time costs associated with the opening of the Justice Expansion during 2005. The unreserved portion of the fund balance is estimated at \$27.4 million, an increase of about \$472,000 from 2004.

Special Revenue Fund Balance - The December 31, 2005 estimated fund balance is \$10.2 million, a decrease of \$1.0 million from 2004. This decrease results from projected departmental revenues under expenditures of \$1.3 million and net transfers in of \$333,500. The unreserved portion of fund balance is estimated at \$1.9 million, a decrease of \$848,900 from 2004.

SUMMARY OF FUND BALANCE PROJECTIONS, Cont.

Working Capital - The unreserved General Fund balance combined with the unreserved Special Revenue Fund balance (governmental funds, excluding debt and capital projects) provides working capital for nearly eight weeks of operations based on the 2006 expenditure budget. In addition, the ratio of governmental funds unreserved fund balance to governmental expenditures for year-end 2005 is estimated at 15.7%, a decrease from the 16.9% at year-end 2004. This estimated percentage exceeds the County's goal of at least 11%, which provides sufficient cash flow for the County's operations, and indicates major progress toward the target goal of 15%. The projection for year-end 2006 is estimated to achieve the target goal at 14.5%.

Enterprise Fund Balance - Fund balance is projected at \$12.7 million, which is unchanged from 2004. The enterprise funds include three golf courses, two indoor ice arenas, radio services, a materials recycling facility, and an airport development fund.

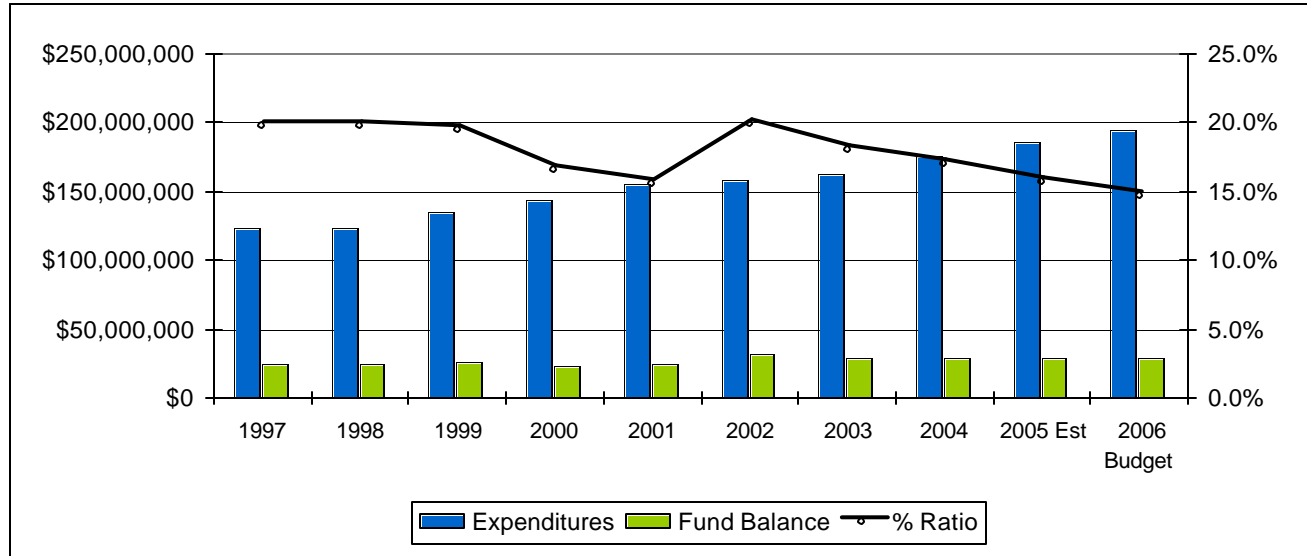
Internal Service Fund Balance - Year-end 2005 fund balance is estimated at \$15.0 million, which is \$1.0 million less than 2004. Internal Service Funds include vehicle/equipment replacement, end user operations and technology (including equipment replacements and records management) central fleet maintenance, central services, telephone communications, collections, and risk management (general liability and worker's compensation). These funds are reserved mostly for vehicle/equipment and computer replacement assets; general liability and worker's compensation claims incurred but not paid; and incurred but not reported (IBNR) claims that are actuarially determined.

Debt Service and Capital Projects - Projected combined fund balances at year-end 2005 total \$19.5 million, a decrease of \$3.3 million from the prior year. This is mainly due to higher expenditures for the jail addition project. The entire fund balance in both of these fund types are reserved for existing capital projects and related debt retirement purposes.

December 31, 2006

The year-end 2006 projection is based on 2006 budgeted revenues, expenditures, and estimates on completion of capital projects appropriated in prior years. At year-end 2006, total combined fund balances are estimated at \$94.7 million, a decrease of \$8.2 million from the estimated 2005 level. Of the estimated combined year end 2006 total fund balance, \$66.1 million is reserved for specific future use (legally restricted) within the particular funds, and \$28.6 million is estimated to be the unreserved fund balance. This is an estimated decrease in unreserved fund balance of about \$0.7 million from year-end 2005.

GENERAL & SPECIAL REVENUE FUNDS
Expenditures, Undesignated Fund Balance



Expenditures and Undesignated Fund Balance
General and Special Revenue Funds

<u>Year</u>	<u>Expenditures</u>	<u>Undesignated Fund Balance</u>	<u>% Ratio</u>
1997	\$123,009,105	\$24,272,650	19.7%
1998	\$123,941,865	\$24,568,323	19.8%
1999	\$134,536,939	\$26,170,810	19.5%
2000	\$144,241,335	\$23,920,813	16.6%
2001	\$156,232,272	\$24,220,880	15.5%
2002	\$157,722,828	\$31,315,948	19.9%
2003	\$163,223,728	\$29,325,394	18.0%
2004	\$175,235,496	\$29,684,364	16.9%
2005 Est	\$186,099,842	\$29,307,574	15.7%
2006 Budget	\$194,400,902	\$28,578,174	14.7%

Policy and Practice

The County will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the County's Aaa/AAA bond ratings.

The unrestricted governmental (general and special revenue) fund balance to governmental expenditures ratios will be maintained at a minimum of 11%. The current target is 15%, or about eight weeks of working capital for operations.

Fund balance reserves will not be used to offset continuous operation costs.

To the extent possible, reserves will be used to provide operating efficiencies over the long term.

**SUMMARY OF PROJECTED FUND BALANCE
AS OF DECEMBER 31, 2005**

SCHEDULE 1

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance Dec 31, 2004	\$50,349,968	\$11,158,455	\$12,728,389	\$16,020,262	\$3,003,461	\$19,788,104	\$113,048,639
Reserved/designated fund balance	23,389,407	8,434,652	12,728,389 (D)	16,020,262 (D)	3,003,461	19,788,104	83,364,275
Unreserved/undesig fund balance Jan 1, 2005	26,960,561	2,723,803	\$0	\$0	\$0	\$0	\$29,684,364
Excess of Revenues over (under) Expenditures	(1,170,716)	(1,298,610)	63,207	(945,552)	(532,338)	(6,303,319)	(10,187,328)
Net Operating Transfers in (out)	(3,663,545)	333,545	(75,000)	(95,000)	500,000	3,000,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures (A)	(\$4,834,261)	(\$965,065)	(\$11,793)	(\$1,040,552)	(\$32,338)	(\$3,303,319)	(\$10,187,328)
Total Projected Fund Balance Dec 31, 2005	45,515,707	10,193,390	12,716,596	14,979,710	2,971,123	16,484,785	102,861,311
Reserved/Designated Fund Balance	18,083,023 (B)	8,318,500 (C)	12,716,596 (D)	14,979,710 (D)	2,971,123	16,484,785	73,553,737
Total Projected Unreserved Fund Balance	\$27,432,684	\$1,874,890	\$0	\$0	\$0	\$0	\$29,307,574

Footnotes:

(A) Negative amounts reflect planned use of reserved and designated fund balances for one time or temporary purposes.

(B) Includes \$2,843,246 designated in the 2005 budget.

(C) Includes \$1,386,653 designated in 2005 budget.

(D) The Enterprise and Internal Service Fund balances include fixed assets and funds budgeted for ongoing capital projects, and may include some unreserved funds.

**SUMMARY OF PROJECTED FUND BALANCE
AS OF DECEMBER 31, 2005**

SCHEDULE 2

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Revenues:							
General Intergovernmental	\$8,328,758	\$65,152,868	\$1,100,000	\$ -	\$ -	\$3,385,000	\$77,966,626
Taxes	50,592,508	20,888,669	201,453	204,836	10,936,251	4,837,500	87,661,217
Fines/Licenses	2,084,160	486,300	-	-	-	-	2,570,460
Charges for Services	13,564,006	5,260,155	5,202,140	339,254	-	-	24,365,555
Interdepartmental Revenue	3,029,026	345,835	418,699	9,881,269	-	-	13,674,829
Interest Income	4,679,490	121,000	-	-	-	600,000	5,400,490
Other Revenue	3,629,606	5,468,135	1,084,072	1,176,032	250,000	14,400,000	26,007,845
Total Revenues	\$85,907,554	\$97,722,962	\$8,006,364	\$11,601,391	\$11,186,251	\$23,222,500	\$237,647,022
Expenditures:							
Personnel Costs	\$59,624,051	\$30,737,458	\$2,214,485	\$3,410,872	\$ -	\$ -	\$95,986,866
Operating Expenses	19,114,051	61,811,546	4,320,305	8,704,294	-	-	93,950,196
Interdepartmental Charges	6,803,609	5,375,516	1,408,367	431,777	-	-	14,019,269
Fixed Asset/Capital Projects	1,536,559	1,097,052	-	-	-	29,525,819	32,159,430
Debt Service	-	-	-	-	11,718,589	-	11,718,589
Total Expenditures	\$87,078,270	\$99,021,572	\$7,943,157 (A)	\$12,546,943 (A)	\$11,718,589	\$29,525,819	\$247,834,350
Excess of Revenues over (under) Expenditures	(\$1,170,716)	(\$1,298,610) (B)	\$63,207	(\$945,552) (B)	(\$532,338) (B)	(\$6,303,319) (B)	(\$10,187,328) (B)

Footnotes:

(A) Net of capital projects expenditures and revenues.

(B) Negative amounts reflect planned use of reserved and designated fund balances for one time or temporary purposes.

**SUMMARY OF PROJECTED FUND BALANCE
AS OF DECEMBER 31, 2006**

SCHEDULE 3

	General Fund	Special Revenues	Enterprise	Internal Service	Debt Service	Capital Projects	Totals
Fund Balance December 31, 2005	\$45,515,707	\$10,193,390	\$12,716,596	\$14,979,710	\$2,971,123	\$16,484,785	\$102,861,311
Reserved/designated fund balance	18,083,023	8,318,500	12,716,596	14,979,710	2,971,123	16,484,785	73,553,737
Unreserved Fund Balance January 1, 2006	\$27,432,684	\$1,874,890	\$0	\$0	\$0	\$0	\$29,307,574
Excess of Revenues over (under) Expenditures (A)	(918,246)	(838,425)	(565,737)	(1,644,482)	(1,350,000)	(2,870,000)	(8,186,890)
Net Operating Transfers in (out)	(755,000) (B)	0	0	(95,000) (C)	600,000	250,000	0
Excess of Revenues & Other Financing Sources over (under) Expenditures	(\$1,673,246)	(\$838,425)	(\$565,737)	(\$1,739,482)	(\$750,000)	(\$2,620,000)	(\$8,186,890)
Total Projected Fund Balance Dec. 31, 2006	43,842,461	9,354,965	12,150,859	13,240,228	2,221,123	13,864,785	94,674,421
Reserved/Designated Fund Balance	17,464,177	7,155,075	12,150,859 (D)	13,240,228 (D)	2,221,123	13,864,785	66,096,247
Total Projected Unreserved Fund Balance	\$26,378,284	\$2,199,890	\$0	\$0	\$0	\$0	\$28,578,174

Footnotes:

(A) Budgeted fund balances are responsible for the deficit figures.

(B) Planned transfer out of \$250,000 to capital projects and \$600,000 of Jail Assessment fees to Debt Service offset by a planned \$95,000 repayment of prior year start-up funds from the Collections Fund.

(C) Planned \$95,000 repayment of prior year start-up funds from the Collections Fund.

(D) The Enterprise and Internal Service Fund balances include fixed assets and may include some unreserved funds.